

## STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

## ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8. Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I.	Gener	ral Information	
	1.	Report Time Period: From (mo./yr.) 1/2005	To (mo.yr.) 12/2005
	2.	DOGM File Number (Mine No): M450008	
	3.	Mine Name: Rowley/Stansbury	
	4.	Mineral(s) Mined (or permitted to mine): Magn	esium chloride
	5.	Type of mine	☐ Underground Mine
	6.	Legal Description (Location of Lands Affected):	
		1/4,1/4, Section,	Γownship, Range
		1/4,1/4,1/4, Section,	Township, Range
		1/4,1/4,1/4, Section,	Township, Range
	7.	Name of Operator or Company: US Magnesium LLC	
	8.	Permanent Street Address: 238 North 2200 Wes	t
		City, State, Zip: Salt Lake City, Utah	
		Phone: 801-532-2043 Fax: 801-596-1132	E-mail: ttripp@usmagnesium.com
	9.	Company Representative (or designated operator):	
		Name: G. Thomas Tripp	2
		Title: Technical Service M	
		Business Address: 238 North 2200 Wes	t
		City, State, Zip: Salt Lake City, Utah	84116
		Phone: 801-532-1522 Fax: 801-596-1132	E-mail: ttripp@usmagnesium.com
		Please check if any of the above information has changed since previous	s year.
II	Minin	ng and Reclamation	
	1.	Was there any mine related activity during the past year?	Yes ⊠ No □
	2.	If no - what was the last year of activity?	
		RE	CEIVED

	5.	Report the gross amount of ore nimed and waste moved, as wen as the arrangement, positioning,			
		or distribution of the material.			
		39,242 Tons electrolytic magnesium			
	4.	Briefly describe the type of work performed, during the past year.			
		No surface mining took place during 2005.			
		The barrage mining took place during 2000.			
	5.	How much <b>new or additional acreage</b> was disturbed during the past year? None			
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	6	How work and the state of the s			
	6.	How much acreage was <b>reclaimed</b> during the past year? None			
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	7.	Briefly describe the reclamation work performed during the past year. This description should			
		include methods employed, and an evaluation of the results. (Submit form MR-SITE for an			
		application for full or partial bond/site release).			
		None			
	8.	What is the <b>total disturbed acreage of entire</b> project at years end? 62.4 acres			
		distance and the desire and the desire of th			
	9.	Briefly summarize any mining and/or reclamation plans for the upcoming year.			
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		There are no mining or reclamation plans for 2006			
		There are no mining of reciamation plans for 2000			
	10.	The operator shall keep and maintain timely records relating to his performance under the Act,			
		and shall make these records available to the Division upon request.			
NOTE	<u>:</u>	Section III., "Additional Information" applies only to <u>large mining operations</u> .			
III.	Additio	onal Information – R647-4-121-2			
	1.	Include an updated map depicting surface disturbance and reclamation performed during			
		the year, prepared in accordance with Rule R647-4-105.			
		5			
IV	Signat	ure Requirement			
•	Dignati	are Requirement			
	I honol	by contify that the foregoing is tour and connect			
	1 nere	by certify that the foregoing is true and correct.			
		Name (Typed or Print):  G. Thomas Tripp  Title (1997)			
		Title of Operator: Technical Service Manager			
		Signature of Operator:			
		Date: 20 Jan Ob			
jb c:\forms\repo	orts\MR-AR				

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## **US Magnesium LLC**

238 North 2200 West • Salt Lake City, UT 84116 Telephone: (801) 532-2043 Fax: (801) 534-1407

## INTER-OFFICE MEMORANDUM

TO: Susan M. White – Utah Div. Of Oil Gas and Mining DATE: 01/19/05

FROM: Tom Tripp CC: Lee R. Brown

Mark Mesch Daron Haddock

Don Silva

 On line 4. of Section I General Information – The mineral "magnesium chloride" is recovered from the water of the Great Salt Lake by solar evaporation ponds in the form of a solution of dissolved minerals.

- On line 5. of Section I General Information The reference to a surface mine refers only to the solar ponding operation in the Stansbury Basin. There is no conventional surface mining being employed by US Magnesium at this time for the recovery of magnesium minerals.
- On line 3. of Section II Mining and Reclamation The listed production, electrolytic magnesium, is an indication of the magnitude of US Magnesium's annual activity. Electrolytic magnesium metal is an intermediate product (rather than finished) and is solely derived from magnesium chloride obtained from the waters of the Great Salt Lake. It is not however an exact measure of finished product.
- On line 4. of Section II Mining and Reclamation The comment of no surface mining during the period connotes that the previous mining activity carried on by previous owners related to oolitic sand production did not occur during the period in question. As previously mentioned US Magnesium's solar ponding operation was active during 2005.

If further clarification is required, please feel free to contact me.

Technical Services Manager

US Magnesium LLC

RE: